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Interrogatory 3. Whether the institution will be able to pay to the State the arrearages of interest, now amounting to over \$8,000, in the event of the institution obtaining the relief asked for?

Answer.—The answer to this interrogatory can be merely conjectural, as such ability on the part of the institution would be wholly dependant on the future *productiveness* of its manufacturing departments, and the profits of the principal one of these (*viz*: the weaving department,) depend in a great measure on the market value of the articles manufactured, which is liable to fluctuations.

The effect of such fluctuations may be exemplified by a reference to the nett profit of 1836, stated on the preceding page as \$10,622 21—a loss of \$618 36 having been sustained in 1835.

The gain of 1836 over 1835, was caused exclusively by the enhanced market value of the cotton goods, which was about 2½ cents per yard (average) more in 1836 than in 1835. The quantity of cotton cloth woven annually, is somewhat more than 400,000 yards.

Interrogatory 4. Whether from the experience of the last year, it is probable that the institution will need any further aid, if the present required amount is granted?

Answer.—It is believed that with such an addition to its present means, the expenses of the current year would be defrayed by the profits arising from the productive operations, as—1st. It appears probable that the present prices of the manufactures will be maintained.

2d. Any loss in extra interest, such as was sustained last year, would be avoided.

3d. With means in possession, the institution can advantageously, and to a sufficient extent, conduct the manufacture of woollen goods, which are much more profitable than cotton.

4th. The cost of provisions will probably be much less in the current year than in 1839.

Should no loss (or but a slight loss) be sustained, further aid would, of course, not be required in 1841 for the year then ensuing.

Interrogatory 5. Whether entries have been made in the books of 1838, or at any other time, which were subsequently altered, and reported to the Governor as a true statement of the accounts of the institution? which Mr. M. has not stated in his letter to the board?

Answer.—In answer, in part, to this inquiry, I would refer to pages 3 and 4 of the printed copy of my answers to interrogatories addressed to me in March last, by a committee of the House of Delegates, of which Mr. Bowie was chairman. The following is extracted from the portion of the said answers to which I have referred:

“At the close of the year 1837, (30th Nov.) the manufactured goods on hand belonging to the weaving department, as estimated in the inventory of that date, amounted to \$45,755 89, and